

THE WHITE HOUSE

Office of the Press Secretary

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**STATEMENT BY SECRETARY RUBIN AND AMBASSADOR BARSHEFSKY
REGARDING THE SUCCESSFUL CONCLUSION
OF WTO FINANCIAL SERVICES NEGOTIATIONS**

We are pleased to announce that the United States has led a successful effort to conclude multilateral negotiations that will open financial services markets to US suppliers of banking, securities, insurance and financial data services.

The agreement that we secured last night is dramatically improved from the one concluded in 1995; at that time there only were 45 offers on the table. This deal covers 95% of the global financial services market as measured in revenue. With this deal, 102 WTO members now have market-opening commitments in the financial services sectors, including 70 improved offers in this round of negotiations. The commitments before us now encompass \$17.8 trillion in global securities assets; \$38 trillion in global (domestic) bank lending; and \$2.2 trillion in worldwide insurance premiums. In insurance alone, U.S. companies now have more than \$200 billion in foreign premiums.

This agreement will open financial services markets to an unprecedented degree and provide lasting benefits to U.S. industry, the U.S. economy, and the global economy. Across all insurance sectors -- encompassing life, non-life, reinsurance, brokerage and auxiliary services -- 52 countries have guaranteed broad market access terms. Another fourteen countries have committed to open critical subsectors of their insurance markets of particular interest to U.S. industry. Fifty-nine countries will permit 100% ownership of subsidiaries or branches in banking; 44 countries will permit 100% ownership of subsidiaries or branches in securities.

A well-functioning financial services industry is key to economic growth in any country, as we have seen in the United States. With the most open financial services market in the world, competition in the financial services industry has delivered lower prices and greater choices and contributed enormously to prosperity here. This agreement levels the playing-field in global financial markets, providing new opportunities for U.S. financial services firms.

At the same time, this agreement will foster the development of financial markets, especially in developing countries, helping lay the foundation for sustained growth. Many countries had already begun the process of financial sector liberalization, but in the past had hesitated to lock in those measures. This agreement locks in that progress and in addition, substantially advances the process of market opening abroad.

Financial services, together with the Information Technology Agreement (ITA) and the agreement in the WTO to lock in market opening commitments on telecommunications services, now completes the triple play of solid global market opening agreements we have reached in the past year. All three agreements cover sectors where the United States is the most competitive producer and service provider in the world. All three unlock new opportunities for our companies and workers at the moment they are the most competitive. All three come in areas where the United States has minimal or non-existent trade barriers, but the rest of the world -- particularly the fastest growing markets of the world -- present substantial market entry barriers for our companies.

Let us conclude by thanking Ambassador Jeffrey Lang, the Deputy United States Trade Representative, and Tim Geithner, Assistant Secretary for International Affairs of the Treasury Department, who have worked tirelessly not just in the home-stretch of the past few weeks, but over the past two years visiting Asian capitals, being omni-present in Geneva working with our trading partners, and doing everything to make sure there was an end-game. Similarly, Meg Lundsager, Matthew Hennessey, Michael Kaplan at Treasury and Wendy Cutler and Laura Lane at USTR, and the rest of our team have our deepest appreciation for their hard work.